



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #: 13-1311, Version: 1**

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- a. Approve and authorize the Contracts/Purchasing Officer to execute an Agreement with E.J. WARD INC. to provide a Fleet Fuel Management System to the County of Monterey for the initial term beginning December 3, 2013 through and including December 3, 2018, with an aggregate value estimated not to exceed \$450,000; and
- b. Authorize the Contracts/Purchasing Officer to execute up to three (3) future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement annual rates of more than fifteen percent (15%).

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute an Agreement with E.J. WARD INC. to provide a Fleet Fuel Management System to the County of Monterey for the initial term beginning December 3, 2013 through and including December 3, 2018, with an aggregate value estimated not to exceed \$450,000; and
- b. Authorize the Contracts/Purchasing Officer to execute up to three (3) future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement annual rates of more than fifteen percent (15%).

### SUMMARY:

On May 16, 2013, the County issued a Request for Proposal (RFP#10417) to solicit proposals from qualified vendors capable of providing the County Fleet Operations with a new Fleet Fuel Management System.

The County's existing Fuel Management system is roughly seven (7) years old and is based on obsolete technology. The current system utilizes a mix of automated and manual processes to accomplish the disbursement of fuel. The manual process of the fueling system allows employees to bypass pre-established and pre-determined parameters and thresholds built into the system. This reduces management's ability to track accurately both the amount of fuel disbursed per vehicle and the ability to accurately track fuel consumption and usage by vehicle. The system also lacks adequate reporting capabilities and limited capabilities for reviewing fuel transactions due to the ability of users to inadequately input the required mileage at each filling. The existing system also relies on an ineffective interface between two completely separate systems, so that if a system control at any one of five (5) fueling stations fails, users are unable to dispense fuel. With the new proposed system, if the interface connection goes down for any reason, users will still be able to dispense fuel from the system. The individual dispensing terminals at each location are capable of holding up to one million transactions until the system is put back on line.

### DISCUSSION:

The proposed Agreement is based upon County requirements as set forth in the terms and conditions of Request for Proposals (RFP #10417). In response to the RFP, five (5) proposals were received and evaluated by a group of employees from the Fleet Management Division with consultation from the Contract/Purchasing Officer. Based on the responses, one (1) firm was selected and invited to make a final oral presentation to the group. Following the oral presentation by E.J. Ward Inc., a careful review of the finalist was performed and a final

recommendation was made to both the Interim Fleet Manager and the Contracts/Purchasing Officer; E.J. Ward Inc. was selected for recommendation of an award of the agreement.

E.J. Ward Inc. is recognized within the industry for providing the most technologically advanced, reliable and integrated hardware and software solutions bringing a new level of fuel management solutions to fleet managers. Through the RFP process it has been determined that E.J. Ward offers the most reliable, flexible, and scalable solution to the County.

The benefits of the placement of E.J. Ward's system within the County will provide the County with 100% Fuel Accountability, Improve Fuel Efficiencies, Eliminate Manual Fuel Entries, Configurable System, Automated Fuel Inventory, Automated Integration with FASTER Fleet Management System, and assure fuel security and accountability. The amount reflected within this board report covers the costs of procuring the new system and the first five years for Annual Support. Annual Support costs are escalated by 3% each year to cover inflationary rates.

Looking ahead, with the placement of a newer automated system, fleet management will be in a better position to review existing protocols for fuel distribution and establish appropriate system parameters as part of the fuel system upgrade. The upgrade will also provide fleet management with the opportunity to develop new and pertinent system reports necessary to budget and control fuel purchases and consumption.

OTHER AGENCY INVOLVEMENT:

The offices of the County Counsel and Auditor-Controller have reviewed and approved the agreement as to form and legality, and fiscal provisions, respectively. The Information Technology Department has approved the system as to its technical requirements and security provisions. The Budget Committee received the report on October 30, 2013. Due to the late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational policy, or other implications to the County of Monterey.

FINANCING:

Payment for services to the contractor will be percentage-based, as milestones are completed. A Payment Milestone document has been negotiated and incorporated into the agreement documents. The total cost of the recommended Fleet Fuel Management System, included as Exhibit A of the recommended Agreement, is \$444,022. This cost is not included in the FY 2013-14 Fleet Management budget. However, due to the extraordinary need to address costly and recurring issues with the existing system, it is recommended that the system be purchased through existing funds from the County Vehicle Replacement Program (VRP). It is anticipated that this purchase loan will result in long-term savings from increased system efficiencies and resulting overall improvements in Fleet Management and maintenance operations, and help control costs to user agencies moving forward. The VRP designation contains adequate funding for this expense.

Prepared by: Michael R. Derr, Contracts/Purchasing Officer, (831) 755-4992

Approved by:

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Robert K. Murdoch, P.E., Director of Public Works

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Benny J. Young, RMA Director

Dated: December 9, 2013

Attachments: E.J. Ward Inc. Agreement (This attachment is on file with the Clerk of the Board)